NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this 29 day of SEPTEMBER 2	009, by and between
Liles M'ADIGE and WIFE YERDINICA PROIGS	
whose addresss is 404 WIMAN Street FURT WORTH TEXAS	76119 as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Sulte 1070 Dallas Texas 75201, as Lessee. All printed portion hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provisions (including the completion of blank spaces) were prepared jointly by Lessor and the provision of the provision	and Lessee.
 In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases at described land, hereinafter called leased premises: 	nd lets exclusively to Lessee the following
12.0	111
ACRES OF LAND, MORE OR LESS, BEING LOT(S)	, BLOCK, PLOCK, BLOCK, The city of
FORT U DOCTO TARRANT COUNTY, TEXAS, ACCORDING TO THE	AT CERTAIN PLAT RECORDED
IN VOLUME 388-S , PAGE 75 OF THE PLAT RECORDS OF TAP	RRANT COUNTY, TEXAS.
1/19	
in the County of <u>Tarrant</u> , State of TEXAS, containing 14 S gross acres, more or less (including any interests the reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along	with all hydrocarbon and non hydrocarbon
substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein I commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers a	ccretions and any small strips of parcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consi Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate descript	ion of the land so covered. For the purpose
of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct,	whether actually more or less.
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of FIVE as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or	years from the date hereof, and for
otherwise maintained in effect pursuant to the provisions bereaf	
3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follow separated at Lessee's separator facilities, the royally shall be 1 20% of such produces or at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the cor	ction, to be delivered at Lessee's option to
the wellhead market price then prevailing in the same tield (or it there is no such price then prevailing in the same tield, well i	n the neatest lield in which there is such a
preveiling price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substate in the sale thereof, less a proportional production of the proceeds realized by Lessee from the sale thereof, less a proportional proportio	ate part of an valorem taxes and production
severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or or have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality	in the same field (or it there is no such price
then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchases become date as the date on which I essee commences its purchases become and (c) if at the end of the primary term	nase contracts entered into on the same of or any time thereafter one or more wells or
the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in p.	aying quantities or such wells are walting or vell or wells shall nevertheless be deemed to
be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or well-	e made to Lessor or to Lessor's credit in the
depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary or the end	or said 90-day period write the well of wells operations, or if production is being sold by
Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of such possibles or producing a leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of such possibles or producing a leased failure to promptly pay shut-in povally shall render I essee liable for the amount due. Du	t shall not operate to terminate this lease.
All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor's ad</u> be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders	gress above_ or its successors, which sha
draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution	to the depository of to the ressol at the las
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution	t as depository agent to receive payments. Thereinafter called "dry hole") on the leaset
premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any ca	otherwise being maintained in force it sha
nevertheless remain in force if Lessee commences operations for reworking an existing went or for utilining an adductional went of the commences operations for reworking an existing went or for utilining an adductional went of the commences operations of operations on such day hole or within 90 days	s after such cessation of all production. If a
on the leased premises or lands pooled increwing within 90 days after completion or operations of such at your better than the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or its production that the production of the primary is the production of the primary terms are such as the production of the primary terms are such as the production of the primary terms are the primary terms are the production of the primary terms are the primary term	
no cessation or more than so consecutive days, and it any such operations result in the production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would	
Lessee shall drill such additional wells on the leased premises or intil such unleaving as a described principle or to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be	
additional wells except as expressly provided herein.	any other lands or interests, as to any or a
depths or zones, and as to any or all substances covered by this lease, either before or and the continencement of products	respect to such other lands or interests. Th
unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not a horizontal completion shall not exceed by such pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well which is not exceed to the pooling for an oil well w	ormed for an oil well or gas well or horizonta
completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority	vernmental authority or, if no definition is s
prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 could lest be battle and gas wall means a	ase senarator facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross complete	interval in the reservoir exceeds the vertice
component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the	e treated as If it were production, drilling
reworking operations on the leased premises, except that the production of which besself a toyary to the extent	such proportion of unit production is sold t
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling lights hereinted, and Lessee shall not exhaust Lessee's pooling lights hereinted, in order to come and the standard of the company of the co	onform to the well spacing or density patter
prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acting the effective date	of revision. To the extent any portion of the
leased premises is included in or excluded from the unit by visite of such revision, the properties of the respect consisting thereof Les	see may terminate the unit by filing of reco
a written declaration describing the unit and stating the date of termination. Fooling internal and shall be repositive and shut-in revealing	es navable hereunder for any well on any pa
of the leased premises or lands pooled therewith shall be reduced to the proportion that besset a mendal in season as	ed premises bears to the full mineral estate
such part of the leased premises.	

Page 2 of 3

8. The Interest of either Lessor or Lessee hereunder may be assigned, devised or oftenories transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devised or oftenories, accusions, estimatistators, successors and assigns. No change in Lesse's a consideration of the parties hereunder shall extend to their respective heirs, devised or oftenories transferred in whole or through or thorough the binding on Lessee until 80 days ownership shall have the effect of reducing the injust or estimate and parties of the devised of the documents astabilishing such change of conversible to the salistation of Lessee or any term of the devised of the documents astabilishing such change of conversible to the salistation of Lessee and the transferred in the salistation of Lessee area pay or the creation of the creation of devised or devised to the event of the death of the salistation of Lessee area pays or the creation of the creation o

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

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DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)	
Luy M. Regas Veronica Rojas By: Nuis M Rojas By: Veronica Rojas	
ACKNOWLEDGMENT	
STATE OF LEXTS COUNTY OF TOUNT This instrument was acknowledged before me on the 24th day of SEPTEMBER , 2009, by: NUIS N. ROTOLS CINCALOLFE VERONICA PARCIS	
KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 15, 2012 KISHA G. PACKER POLK Notary Public, State of Texas Notary Public, State of Texas Notary's name (printed): X 5\A G. Acicker - Po	, }
STATE OF COUNTY OF day of , 2009, by:	

Notary Public, State of Notary's name (printed): Notary's commission expires:

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES ATTN; ANN VANDENBERG 2100 ROSS AVE STE 1870 LB-9 DALLAS, TX 75201

Submitter:

DALE RESOURCES LLC

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

10/14/2009 12:50

PM

Instrument #:

D209273263

LSE

PGS

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\$20.00

By Byan Henleway

D209273263

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD